

UNITED STATES DISTRICT COURT
for the
Eastern District of Michigan

United States of America

v.

Joshua R. Hudson

Case: 2:22-mj-30027

Case No. Judge: Unassigned,

Filed: 01-18-2022 At 03:19 PM

USA v. SEALED MATTER (CMP)(MLW)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of July 20, 2020 in the county of Wayne in the
Eastern District of Michigan, the defendant(s) violated:

Code Section

18 U.S.C. § 1343

Offense Description

Wire Fraud

This criminal complaint is based on these facts:

☒ Continued on the attached sheet.

Sworn to before me and signed in my presence
and/or by reliable electronic means.

Date: January 18, 2022City and state: Detroit, MI*Complainant's signature*

Carey Fortunate, Special Agent

Printed name and title*Judge's signature*

Anthony P. Patti, U.S. Magistrate Judge

Printed name and title

Save

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AFFIDAVIT IN SUPPORT OF A COMPLAINT

I, Carey Fortunate, Special Agent with United States Department of Homeland Security Investigations (HSI), being duly sworn, state that:

INTRODUCTION AND AGENT BACKGROUND

1. I am an investigative or law enforcement officer of the United States within the meaning of Section 2510(7) of Title 18 of the United States Code. I am empowered to conduct investigations of and to make arrests for offenses enumerated in Title 18 of the United States Code.
2. I have been employed by HSI as a Special Agent since October 2007. Prior to this date, I was employed as a Special Agent with the United States Secret Service for approximately six years and was also a Michigan certified police officer with Detroit Police Department for approximately three years. During my employment with HSI, I have investigated federal crimes including mail fraud, wire fraud, bank fraud, and various other criminal matters. At all times during the investigation described in this affidavit, I have been acting in an official capacity as a Special Agent of HSI.
3. This affidavit is made in support of a criminal complaint and arrest warrant for Joshua R. HUDSON for violating 18 U.S.C. §1343, wire fraud. As demonstrated below, the investigation to date has revealed that Joshua R. HUDSON provided materially false and misleading information to the SBA in order to obtain

Economic Injury Disaster Loans [EIDLs] to which he was not entitled on at least two occasions and obtained one EIDL totaling \$77,400 in this way. Specifically, Joshua R. HUDSON used a false Social Security Number (SSN) and false information pertaining to his ownership of two businesses to obtain one loan and attempt to obtain another.

4. 18 U.S.C. §1343 criminalizes schemes or artifices to defraud or obtaining money or property by means of false or fraudulent pretenses, representations, or promises, when for the purpose of executing the scheme, the person transmits, or causes to be transmitted, any writings, signs, signals, pictures, or sounds by means of wire communication in interstate commerce.

BACKGROUND OF ECONOMIC INJURY DISASTER LOANS

5. The Economic Injury Disaster Loan (“EIDL”) program is a Small Business Administration (SBA) program that provides low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters.
6. Under the provisions of The CARES Act, \$2.2 trillion dollars in economic stimulus was passed by the 116th U.S. Congress and signed into law by President Donald Trump in March 2020 in response to the economic decline caused by the COVID-19 pandemic in the United States.
7. The provisions of The CARES Act, in conjunction with an officially declared disaster by the United States Government, allowed for the SBA to offer EIDL

funding to business owners negatively affected by the COVID-19 pandemic. Using the SBA online portal, EIDL applicants submit personal and business information in support of each EIDL application, and they do not have to submit supporting documentation of any sort.

8. The application includes a jurat-like paragraph where the applicant affirms that the information submitted is true and correct under the penalty of perjury and applicable criminal statutes. The application process involves filling out assorted data fields relating to the size of the affected business entity, the ownership of said business, and other information such as the number of employees and gross business revenues realized in the 12 months prior to COVID-19 impact on the national economy. This information, submitted by the applicant, is then used by SBA systems to calculate the principal amount of money the small business is eligible to receive in the form of an EIDL. However, in conjunction with the submission of an EIDL application, by simply clicking on and checking a box within the on-line application, an applicant may request and then receive up to \$10,000.00 in an EIDL Cash Advance Grant based on the number of employees claimed. The EIDL Cash Advance Grant need not be repaid to the SBA if the loan application is ultimately denied by the SBA, or if the applicant declines the EIDL that may be offered by the SBA at a later date.
9. The SBA Office of Disaster Assistance (ODA) controls the EIDL program and

is headquartered at 409 3rd Street SW, Washington, DC 20416. The ODA has authority over all loans created and disbursed under the EIDL program. EIDL proceeds and available Cash Advance Grants (up to \$10,000) are solely funded by the SBA and are disbursed from government-controlled accounts maintained with the U.S. Treasury at Federal Reserve Banks throughout the United States.

10. Pursuant to the provisions governing the EIDL program, loan proceeds must be used by that business on certain permissible expenses. The EIDL (working capital) loans may be used by the afflicted business, which must have existed in an operational condition on February 1, 2020, to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the COVID-19 disaster not occurred.

PROBABLE CAUSE

11. In or around August 2020, a representative of Wells Fargo Bank informed HSI that Joshua R. HUDSON received an EIDL in the amount of \$77,400.00 from SBA on July 14, 2020. This loan was deposited into Joshua R. HUDSON's personal banking account (not a business account which is required by SBA) with Wells Fargo Bank's internet server via an Automated Clearing House (ACH) credit transfer from a government-controlled account maintained with the U.S. Treasury at a Federal Reserve Bank located in the United States. According to the bank representative, Joshua R. HUDSON was hesitant and evasive when asked about his

underlying business associated with this SBA loan. Joshua R. HUDSON wanted to withdraw all of the money in his account and complained he had to drive all the way to Illinois from Michigan to get this money for his camera business. Wells Fargo is a nationally chartered bank headquartered in San Francisco that does not have any branch locations in Michigan. The loan subsequently funded nine cash withdrawals made by Joshua R. HUDSON in amounts ranging from \$103.00 to \$50,010.00 totaling \$75,924 from Wells Fargo branch locations in Evanston and Niles, Illinois as well as non-Wells Fargo Automated Teller Machines (ATMs) located in Detroit Beach, Harper Woods, and Detroit, Michigan. These non-Wells Fargo ATM withdrawals caused an interstate wire transmission of signals from Illinois to Michigan. **The largest non-Wells Fargo ATM withdrawal of \$303.00 was made on July 20, 2020 in Detroit, Michigan.** Several of these cash withdrawals were conducted on the same-day and/or consecutive banking days in amounts aggregating above the \$10,000 Currency Transaction Report (CTR) filing threshold thereby giving the appearance of structuring to evade the filing of a CTR.

12. Subsequent investigative activities conducted by HSI and SBA identified two EIDL loan applications that appeared connected either by being supported with identical or similar information or by having a nexus to Joshua R. HUDSON. In total, two loan applications were submitted to SBA:

<u>Application Date:</u>	<u>Entity Name:</u>	<u>Loan Amount:</u>	<u>Applicant's Name:</u>
7/7/2020	Good Productions	\$77,500.00	Joshua Hudson
8/7/2020	Puppy Drip	\$0	Joshua Hudson

GOOD PRODUCTIONS

13. I reviewed loan application documents provided by U.S. Small Business Administration (SBA) pertaining to GOOD PRODUCTIONS and noted an EIDL application was submitted to SBA to obtain \$77,500 in EIDL funds for GOOD PRODUCTIONS. The signing name on the application was Joshua HUDSON, which was signed on or about July 7, 2020. The business's address was provided as 6500 McNichols, Detroit, Michigan. The business telephone number was listed as 313-458-1640. The business email was listed as jh280460@gmail.com along with IP address: 2607:fb90:1d7f:eea9:0:1:43d9:7c01. The business activity is listed as construction and contractors and the application indicated it had 12 employees.
14. The signer, HUDSON, who also listed himself as the owner on the application provided a social security number (SSN) with the last four digits of 7246. HUDSON provided a personal address of 20406 Duprey, Detroit, Michigan.
15. I reviewed Michigan Secretary of State documentation which revealed Joshua R. HUDSON resides at 14835 Lannette Street, Detroit, MI 48213.
16. I observed the GOOD PRODUCTIONS' address of 6500 McNichols, Detroit, MI displayed signage that read "McNichols Scrap Iron & Metal Co." No signage

for GOOD PRODUCTIONS was observed at the address. A query with the Michigan Department of Licensing and Regulatory Affairs revealed that GOOD PRODUCTIONS was never registered as a business with the State of Michigan.

17. SBA made notations on September 25, 2020, and January 26, 2021, that the owner of McNichols Scrap Iron & Metal, Michael Kohn, reported his business had received a statement regarding an SBA EIDL funded to his business address. Mr. Kohn stated he did not apply for a loan.

18. I also observed HUDSON's personal address listed on the application does not exist. The phone number which is listed as the owner's business and personal number is no longer in service.

19. Database queries of the SSN with the last four digits of 7246 revealed that it belonged to a Joshua J. Hudson who resides in Brooklyn, MI and has been employed as a Deputy with the Jackson County Sheriff Department since 2014.

20. I interviewed Joshua J. Hudson at his place of employment. Deputy Hudson advised he never applied for or received an EIDL. Deputy Hudson stated he has never banked with Wells Fargo. He also has never heard of GOOD PRODUCTIONS and has never been to 6500 McNichols, Detroit, MI. Deputy Hudson also said he has never used the email address: jh280460@gmail.com.

21. The loan amount of \$77,400.00 was funded to Wells Fargo Bank account x3734 (minus a \$100 filing fee) on or about July 14, 2020. Joshua R. HUDSON was the

signer on the account. This ACH transaction to Wells Fargo showed the same loan number provided by SBA for GOOD PRODUCTIONS - Loan Number: 2009808109.

22. I reviewed financial documents provided by Wells Fargo Bank which revealed the account was opened online on July 7, 2020, with a zero balance. The bank documents showed the following customer information:

Joshua R. HUDSON, DOB: 3/xx/1996
Taxpayer Identification Number (TIN) and Joshua R. HUDSON's SSN: xxx-xx-4468
MI Driver's License: H-xxx-xxx-xx4-199
14835 Lannette Street, Detroit, MI 48213
Mobile Phone Number: (313)-xxx-7124
Email address: JOSHUAHUDSON63@GMAIL.COM

23. Documents from Google revealed the following subscriber information for JOSHUAHUDSON63@GMAIL.COM:

Google Account ID: 178868947599
Created on: 2014-03-04 14:46:11 UTC
Terms of Service IP: 108.183.122.27

Account Recovery:
Recovery e-Mail: joshua.hudson67@yahoo.com
Recovery SMS: 313-xxx-7124

Phone Numbers:
Sign-in Phone Numbers: 313-458-1640, 313-xxx-5674, 313-xxx-5674
One of the phone numbers (313-458-1640) used for a sing-in to this email is the business phone number listed for GOOD PRODUCTIONS (which is no longer in service).

Billing, Legal, Tax, Shipping, Default:
Joshua R. HUDSON

14835 Lannette Street, Detroit, MI 48213
Telephone: 313-xxx-5674

24. A Wells Fargo Bank Statement dated August 7, 2020, showed the following statement period activity summary:

Beginning Balance on 7/8/20: \$0.00
Deposits/Additions: \$77,400.00 (SBA Treas Misc Pay 071420)
Withdrawals/Subtractions: \$77,397.75
Ending Balance on 8/7/20: \$2.25
(Note: Three of the withdrawals/subtractions were made into cashier's checks in Evanston, Illinois. One specifically is dated July 16, 2020, in the amount of \$50,000.00, made out to Joshua HUDSON).

25. The investigation revealed Joshua R. HUDSON also had a bank account with TCF Bank. I reviewed financial documents provided by TCF Bank which revealed a checking account: x8466 was created online on July 13, 2020, by "Joshua Reginald Reginald HUDSON". Joshua R. HUDSON provided a Michigan driver's license number beginning with H and the last four digits being 4199 along with the following address: 14835 Lannette Street, Detroit, Michigan, 48213. Joshua R. HUDSON indicated his date of birth was March xx, 1996, and the last four digits of his SSN being 4468. The contact information provided by Joshua R. HUDSON was a telephone number of 313-XXX-7124 and an email address of joshuahudson63@gmail.com. All of this personal information is the same personal information provided to Wells Fargo Bank. Joshua R. HUDSON also noted he is employed as a carpenter in the construction and manufacturing industry.

26. TCF Bank documents also revealed a deposit of \$50,000.00 was made on July

20, 2020, by Joshua R. HUDSON with a Wells Fargo cashier's check from Evanston, Illinois. The money was depleted from the account by August 4, 2020.

PUPPY DRIP

27. I reviewed loan application documents provided by SBA pertaining to PUPPY DRIP and noted an EIDL application was submitted to SBA. The signing name on the application was Joshua HUDSON, which was signed on or about August 7, 2020. The business's address was provided as 1298 Wheelock Street, Detroit, Michigan. The business telephone number was listed as 313-xxx-2154. The business email was listed as eastpup795@icloud.com along with IP address of 2607:fb90:30:3fee:e81e:5f65:2eba:ae10. The business activity is listed as retail and the application indicates it has 11 employees.
28. The signer, Joshua HUDSON, who also listed himself as the owner on the application provided a social security number (SSN) with the last four digits of 4468. This SSN was provided by Joshua R. HUDSON at both TCF Bank and Wells Fargo Bank. Joshua R. HUDSON indicated his personal address is the same as the business located on Wheelock Street in Detroit, MI. The bank information listed on the application was for a TCF checking account: x8466 which is the same account noted above.
29. I observed the PUPPY DRIP'S address of 1298 Wheelock Street, Detroit, to be a residential house. No signage for PUPPY DRIP was observed at the address. A

query with The Michigan Department of Licensing and Regulatory Affairs revealed that PUPPY DRIP was never registered as a business with the State of Michigan.

30. The investigation revealed the following subscriber information for eastpup795@icloud.com. The account was created on January 25, 2020, on Lannette Street in Detroit, MI, however the subscriber did not include an exact street number. The phone number provided was 313-xxx-7124. This same exact phone number was listed for Joshua R. HUDSON on banking documents for both TCF Bank and Wells Fargo Bank.
31. As part of SBA's decision-making process for approving an EDIL, a credit history is conducted on the owner of the business that applies for the loan. Because Joshua R. HUDSON used someone else's SSN on the application for GOOD PRODUCTIONS and showed good credit, SBA approved this loan. SBA denied the EIDL for PUPPY DRIP due to Joshua R. HUDSON's unsatisfactory credit history. Had he been granted the loan; Joshua R. HUDSON would have received approximately the same amount he did for GOOD PRODUCTIONS because he listed comparable number of employees along with similar amounts for gross revenues and cost of goods sold for PUPPY DRIP.

CONCLUSION

32. I submit that there is probable cause to believe that Joshua R. HUDSON

devised and perpetrated a scheme or artifice to defraud Financial Institutions. In furtherance of and to execute this scheme, Joshua R. HUDSON sent an electronic loan application and other writings, signs, signals, and pictures in interstate commerce by means of wire communication, as set forth above.

33. Therefore, I believe that probable cause exists that JOSHUA R. HUDSON violated 18 U.S.C. §1343 (wire fraud).



Carey Fortunate
Special Agent
Homeland Security

Sworn to before me and signed in my presence
and/or by electronic means.



Anthony P. Patti January 18, 2022
United States Magistrate Judge